



SERVICE EMPLOYEES  
INTERNATIONAL UNION  
LOCAL 73  
[www.seiu73.org](http://www.seiu73.org)

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CHICAGO  
300 South Ashland Avenue  
Suite 400  
Chicago, IL 60607-2746  
312.787.5868  
Fax: 312.337-7768

SPRINGFIELD  
600 South Fourth Street  
Springfield, IL 62703-1641  
217.522-1182  
Fax: 217.522-9183

CHAMPAIGN/URBANA  
1606 Willow View Road  
Urbana, IL 61802-7446  
217.328-7509  
Fax: 217.328-2040

Testimony before the House Human Services Committee:  
Subject Matter Hearing on the 1115 Waiver  
1/22/2014

Members of the Committee: My name is Dan Boris and I am the Director of Research for Local 73, SEIU. As a labor union and a member of the coalition in support of Medicaid expansion to address the needs of the neediest Illinoisans and those that provide their health care, we offer the following comments:

Protect Public Hospitals

***SEIU Local 73 strongly supports extending the Hospital Access Assurance Program or identifying another pool of waiver funds to support public hospitals and in particular the University of Illinois health facilities and Cook County Health and Hospital System who provide almost a quarter of charity care to underserved Illinoisans and collect 15% of Medicaid payments.***

- 68 % of U of I and CCHHS patients were uninsured, self-pay or Medicaid patients.
- Medicaid reimbursement rates do not fully compensate public hospitals for the cost of care for the chronically ill, medically complex, and underserved populations that Local 73 members care for.
- Public hospitals will continue to see patients who are uninsured or underinsured, even after full implementation of the ACA, yet will also face significant cuts to DSH funding starting in 2016. Identifying a source of funding to compensate for the loss of DSH dollars is critical in ensuring the viability of public health facilities.

Delivery System Reform Incentive Payment Program Transparency

***The proposed closing of Fantus clinic without a publicly vetted plan to care for the population that the clinic serves is unconscionable. The Delivery System Reform Incentive Payments, or DSRIP plans, in the 1115 waiver have lacked the transparency, participation and accountability afforded other provisions of the plan. A public hearing and comment period should be conducted regarding the DSRIP provisions to provide a public voice and accountability for all stakeholders.***

- As public entities, Public Hospitals' health system transformation plans should go through a public process.
- The draft waiver proposal's DSRIP plans only offer a rough sketch of possible pilot projects. Developing final DSRIP plans that truly achieve the goals of system reform will require the active participation of multiple stakeholders, including health care workers, in the process of design, establishment of metrics, and implementation of projects. We call on you to create a process that is open and inclusive.

Living Wages For Caregivers to Lower Medicaid Costs

***Paying health care and social service workers who provide Medicaid services a living wage can achieve cost savings. According to data from the 2013 March Supplement of the Current Population Survey, 8.1% of 925,000 healthcare occupation workers are Medicaid eligible. Raising health care worker wages to \$15 per hour or its equivalent – slightly less than 138% of the federal poverty level for a family of four – could ultimately reduce the state of Illinois Medicaid eligible population by 225,000 workers and their dependents and potentially diminish the state's Medicaid liability.***

- According to the Kaiser Family Foundation, Illinois spent \$3,717 per adult Medicaid enrollee and \$2,630 per child in 2010.
- With 75,000 health care workers on Medicaid and an estimated 150,000

dependents in 2013, before state wide Medicaid expansion, *raising wages to \$15/hr could achieve cost savings of at least \$673 million dollars* if all health care workers currently on Medicaid signed up for private insurance through the Health Insurance Exchange or through their employer.

#### Prioritize Workforce Development

***The definition of Community Health Worker needs to be explicitly established by a panel of experts with the opportunity for transparent public input. A labor-management partnership should be established to create a program that includes provisions for training, using an apprenticeship program and other approaches, with a curriculum of classroom modules and on-the-job training, building on models from other states that have successfully implemented CHW programs.***

- The Worker Education and Resource Center in Los Angeles County, a labor-management partnership between the County of Los Angeles Department of Health Services and Service Employees International Union Local 721 that collaborates with other county departments and FQHCs, has provided career advancement opportunities for 15,000 low-wage workers, including training as Community Health Workers, over the past 11 years.
- Oregon's Medicaid 1115 waiver, approved in July 2012, included Community Health Workers and other non-licensed professionals in innovative workforce models. Oregon convened a Non-Traditional Health Worker Subcommittee that was tasked with developing the descriptions, core competencies, education, and training requirements for this new class of workers.

#### Expand Community Based Services for People with Disabilities

***As a member of the Mental Health Summit, and on behalf of our members caring for the mentally ill and developmentally disabled, SEIU Local 73 stands with consumers, advocates and allies in their fight for freedom of choice for persons with disabilities to receive care in the least restrictive environment of their choosing. The state of Illinois must guarantee a funded program of home and community based services, housing, employment and ongoing care and reverse cuts to services for the Mental Health and Developmentally Disabled populations.***

- The State of Illinois must take the necessary measures to comply with individuals Olmstead rights and also abide by the consent decrees mandated through the Ligas, Colbert, and Williams cases.
- Due in part to a crisis in mental health funding cuts, in Cook County alone in 2012 six mental health clinics operated by the City of Chicago Department of Public Health and two private providers, the Community Mental Health Council and Counseling Center of Lakeview, closed their doors. Most recently the Larkin Center in Elgin filed for bankruptcy. Reinvestment in community based services is desperately needed to care for children and adults with developmental disabilities.

***Thank you very much for your time and commitment to this process. I invite you to contact me if you have any questions or concerns.***